

**Virginia Workforce Council
Virginia Housing Development Authority
Richmond, Virginia
March 20, 2002
Minutes**

I. Call to Order.

Secretary of Commerce and Trade, Michael J. Schewel called the meeting to order at 10:10 a.m. Secretary Schewel presided in the Chair's absence.

II. Roll Call

Secretary Michael J. Schewel
Anne A. Armstrong
Barry Baker
Andrew J. Behr
Cordell Briggs
Delegate Kathy J. Byron
Ben Davenport
Patrick J. Dean
Senator Charles R. Hawkins
Senator Janet D. Howell
George E. Hunnicutt, Jr.
Hugh D. Keogh
Mark R. Kilduff
Edward L. Ladd
Daniel G. LeBlanc

Charlie H. Mills III
Phyllis Palmiero
Allen M. Phibbs
Richard L. Settle
Mark Singer
Stevenson Walker
M. Coleman Walsh, Jr.
Secretary Jane Woods

A quorum was present.

III. Approval of the Minutes

The minutes of the June 12, 2001 meeting were approved.

IV. Work Keys - John Heslin, Coordinator for Workforce Development, John Tyler Community College

Mr. Heslin spoke about the national Work Keys Program. It includes job profiling/analysis and an assessment model in eight basic skill areas. The eight basic skill areas each have discrete competency levels and through a profiling process working with businesses, they can determine what skill levels are required, as well as occupational profiles and individual skill sets. Mr. Heslin highlighted the Crater Regional partnership, which started four years ago with the vision to create a workforce in the south side area that would attract companies and provide a lifestyle for citizens to improve their quality of life and retain companies in the area. They work closely with secondary schools through the community college, businesses and industry.

Much of the work has been integrated with the local Workforce Investment Board (WIB) efforts and Virginia Workforce Network Center operations.

Sean Powell and Rose Hodges, from the Wyeth Company, accompanied Mr. Heslin. They spoke on how the Work Keys system addresses some of their immediate needs. The company profiled 14 positions, which covered 600 workers. They use profiles for hiring decisions and to improve their skills and competencies. John Tyler provides training for 150 people enrolled in Learning Opportunities on company time or over-time to improve competency of their workforce. Also tied to promotions and incentives are in place for employees to go back to school. Classes are on-site or in an area hotel.

V. Regional Roundtables - Gregory Willis and Dennis Dougherty, Employer & Labor Services Liaisons, U.S. Department of Labor, Apprenticeship Training, Employer & Labor Services Division

The team spoke about the National Business Partnership, formerly known as the New Hire Partnership Program. Their role is to help businesses navigate the publicly funded workforce investment system across states and regions. The current agenda includes working with the Health Care industry, Home Depot and AOL to expand this national partnership. Other partnerships underway at a regional level are the Delaware retail partnership, The Seafarers, and a project with the Community Transportation Development Center.

Other services offered by DOL are: Technical Assistance Centers which provide 50% of funding to assist companies experiencing severe competition in becoming more competitive against overseas companies; Insure Kids Now sets aside a pot of money for each state for children 19 years of age and younger to provide insurance for businesses who can't afford to pay employees insurance benefits; and ELAWs is a website that offers law expertise. A new partner is the Economic Development Administration (EDA) of the U.S. Department of Commerce. EDA can help redevelop buildings that are rundown to use for training and finance or sustain existing programs. A community can apply for grants from EDA to target business, to expand business, or to improve infrastructure. The community must develop a plan for what is needed in area.

The H1B Technical Skills Training Program is also administered by DOL. The programs must focus on occupations that are experiencing skill shortages in the domestic labor market, skills training leading to Bachelor level skills. The goal is to lessen U.S. dependency on foreign workers. Seventy-five percent of dollars are awarded to Local Workforce Investment Boards and 25% are awarded to employers. Council members can see Mr. Willis or Dougherty after the meeting for more information and assistance for these services in their area.

Jim Walker and Matt Daley, federal Representatives of Apprenticeship in Virginia accompanied Mr. Willis and Mr. Dougherty.

Mr. Walker indicated that there are 11,000 registered apprentices in the State of Virginia to date. Mr. Walker maintains compliance with the federal regulations and works in direct partnership with the Virginia Apprenticeship Council and the Virginia Department of Labor and Industry. They register approximately 2,000 apprentices per year for 200 various occupations.

VI. Public Comment - Secretary Schewel

Sheila Harper from Southside Community College addressed the need for continued Workforce Investment Act (WIA) funding for the Education for Independence Program (EFI) throughout the state. EFI has existed since 1985 and was first supported by Carl Perkins Vocational Education funds. In 1995 these federal funds were cut. The state budget then picked these grants up. The funds are administered by the Department of Education. WIA has funded the programs since 2000 at an annual appropriation of \$2.4 million dollars, but in 2001 funding was cut by \$600,000 dollars.

Forty- one EFI programs existed in eleven local school systems, twenty-two community colleges, and one community based organization. EFI serves teenage parents, single parents, displaced homemakers, and women going into nontraditional fields of study. EFI helps those who are unemployed or underemployed acquire new job skills and training, and helps the incumbent worker become more effective. It can offer unemployed people a package including support services and financial services. All of the people served are parents. It is hoped that the Workforce Investment Board will continue full funding at \$2.4 million dollars.

Alicia Lugo, Project Director of Focus/TeenSight, discussed this program, which serves five counties in the city of Charlottesville with an EFI grant that paid for childcare for young mothers in the program. Cutbacks were required in Greene and Fluvanna Counties, due to lack of money for child-care for students. Charlottesville and Albemarle County provide 75% of the money for childcare, but Louisa, Fluvanna, and Greene can't provide assistance. Ninety-eight of teen mothers enrolled in the EFI program graduate from high school, which has a 1-2% repeat pregnancy rate. They're the only non-profit community based organization in the EFI network in the state. It is their hope that the EFI network is fully funded.

Ms. Murray, a student at the Virginia Community College in Charlottesville, thanked the council for funding the EFI programs. She shared personal, academic, and professional experiences as a single mother. She worked full time and took a full load of classes. She was involved in several college committees and councils and volunteers in her community. Piedmont Works is an outreach program that helps low income adults take classes. It pays for books and tuition as well as child-care. Moneys from the WIA and the EFI fund the program.

Dolores Esser addressed several questions raised by Council members regarding WIA funding. The WIA specifically defines funding allocations. Eighty-five percent of state adult and youth funds are allotted to local Workforce Investment Boards (WIBs). The WIBs, in partnership with Local Elected Officials, decide how this money is spent according to WIA guidelines. Sixty-five percent of state dislocated worker funds are allotted to WIBs, with 25% used for state level rapid response. The statewide rapid response funds are also used to provide local grants to WIBs that have used all of their dislocated worker formula funds.

Five percent of the state's allocation is for specific administrative activities. The remaining 10% statewide funds is the source of funding for the EFI program. These funds also support the skill centers as appropriated by the General Assembly, staffing at the state level, Virginia Workforce Council activities, Incentive Grants to WIBs, automated systems development for the Virginia Workforce Centers and other required statewide activities. State staffing for the WIA program is 50% less than it was for its predecessor, the Job Training Partnership Act.

At the next Council meeting, Delegate Byron requested a status report on the implementation of WIA in Virginia and the use of all WIA funds by WIBs and other service providers.

VII. Department of Rehabilitative Services (DRS) Presentation - James A. Rothrock, Commissioner, DRS

Mr. Rothrock's provided a brief update on activities to assure that Virginians with disabilities benefit from WIA. The DRS can bring case service funds to offer to help workers who need WIA assistance in localities and provide technical assistance relative to the access of local one-stops.

As a result of the Memorandum of Understanding, between DRS and the Virginia Employment Commission, DRS recently conducted accessibility surveys of sixteen Virginia Workforce Network Centers, making recommendations and underscoring the value of work the Center's have done to assure that access is provided to all Virginians. DRS has provided training through Woodrow Wilson Rehabilitation Center by bringing Virginia Workforce Network Center staff there to learn about assisted technology and how it can help Virginians with disabilities get jobs. DRS has collaborated with the Shenandoah Valley and Northern Virginia WIBs to look at accessibility and how technology can be applied to help Virginians with disabilities. DRS is also working on Virginia's One-Stop Accessibility Project collaborating with Capitol Area and five other WIBs. This project is designed to assure physical and program accessibility to WIA services and employer outreach.

VIII. Local Elected Officials' and Local Workforce Investment Boards' Briefing Sessions - Delores Esser

Ms. Esser announced the Local Elected Official (LEO) and WIB Briefing Sessions to be held around the state. These sessions were prompted by policy questions and requests for assistance from LEOs. Additionally, because of the Governor's Workforce Leadership Conference held last fall, the Council did not have its annual meeting with local leadership. The Council is sponsoring seven sessions. The following members will make opening remarks: Annandale - Pat Dean; Norfolk - Ed Ladd; Danville - Senator Hawkins; Charlottesville – Dolores Esser; Chester - Jay Behr; Abingdon - George Hunnicutt; and Roanoke – Allen Phibbs.

IX. Job Ready and Emerging Workforce Committee Report - Chair Hugh Keogh

The committee met last on March 4th at the VEC. The Committee is bringing three recommendations to the Council.

First, the Committee recommends that the Council adopt basic tenets for workforce development in Virginia. Decision Brief 02-01 provides background information. The Committee asks the Council to adopt and make the following recommendations to the Governor:

1. Put in place at the highest level of state government a mechanism that will bring to bear practical, effective inter-secretarial coordination of any and all state agencies delivering any form of workplace development services.
2. Allocate budget resources to workforce preparation commensurate with the task and cognizant of the fact that training and retraining are lifelong experiences for most workers in the 21st century.
3. Collaborate with the private and public sectors to assure that the technological infrastructure is in place throughout the state to enable businesses and employees to access training resources and viable employment opportunities regardless of their geographic or industry sector.

Motion to adopt these recommendations was made and unanimously approved. The Chair will communicate the recommendations to the Governor.

The next item represents combined recommendations from the Workforce Roundtable held by the Council on May 15, 2001 and the Symposium held by the Council and the State Council of Higher Education on July 12, 2002 (Decision Brief 02-02). The Symposium focused on the Nexus between Business and Higher Education.

Gail Robinson explained how the committee combined recommendations from two events as they related to workforce development. Once adopted, these recommendations are ready for the next step, which could include the need for legislation, a study, consideration during the strategic planning session of the

Council, or partnering by several agencies. A motion to adopt the combined recommendations from the Roundtable and the Symposium was made and unanimously approved.

Gail Robinson and Bob Young, Director of Financial Policy, Department of Treasury, discussed the final item, which is the proposed policy for the Workforce Training Access Program and Fund. In 1998 Delegate Russ, with assistance from Mark Singer, introduced legislation to create low interest loans for employed workers to improve their skills. The Council must certify that the courses meet the technology needs of business and industry. The Secretary of Finance and Treasury, through the issuance of an RFP, will enter into an agreement with a national student loan marketing association to service and market the loans.

The 2000 session of General Assembly appropriated \$250,000 dollars for each year of the biennium. The Comptroller recently established the Workforce Training Access Fund (Fund) and the Department of Planning and Budget has transferred \$500,000 to the Fund. The Fund can leverage five times its amount, making \$2.5 million available for low interest loans for employed workers. The policy clarifies the role of the Council and the responsibilities of the Secretary of Finance and the Department of Treasury.

Concern was raised about the state and the Council providing loans to incumbent workers with no commitment from their employers to match some of the costs and whether it was too late to require employer participation in the loans. Mr. Young indicated that the requirements for the loans are in the statute, which was passed in 1998. The policy under consideration is about the Secretary of Finance, the Treasury Department and the Council's role in implementing the law. There was further discussion about the possibility of employers shifting their training costs. It was pointed out that the following language in the policy addresses the shifting of costs by employers: "To the extent possible, the Council shall provide funds first to individuals who are not receiving workforce training through their own company for Council certified courses." Additional comments were made about finally getting the General Assembly tuned into the fact that workforce priorities are important and to delay action on the policy now would be detrimental.

A motion was made to adopt the Workforce Training Access Program and Fund Policy (VWC Policy # 01-02). A substitute motion was made to review the policy again and table the recommendation until a future meeting. The substitute motion failed. A vote was made on the main motion to adopt the Workforce Training Access Program and Fund Policy. The motion passed.

X. Continuous Improvement Evaluation Committee Report - Chair Patrick Dean

The Committee met last on February 13, 2002 at the Department of Business Assistance. The Committee brings two policy recommendations before the Council.

Caprichia Thurston explained the Recaptured WIA Title I Local Formula Funds Policy. At the end of the second year of the local allocation cycle, the Governor must recapture all unexpended WIA funds. Recaptured funds can be used for statewide projects or the funds can be reallocated to local areas, which had fully expended their allocation for the same program year within the two-year period. The policy recommends the prerogative of the Governor in every instance available through the WIA to support the Governor's workforce and efficiency plans. Further, at the Governor's discretion, recaptured funds will be used for statewide activities, including but not limited to, incumbent worker training, gubernatorial workforce initiatives, and workforce development programs targeted by the Governor for economically depressed regions of Virginia.

In response to member questions about the amount of unexpended funds that might be available, staff indicated that a ballpark amount right now is about \$2 million with a lot from two of the WIBs, the two being WIB 8 (South Central area of the state) and WIB 17 (West Piedmont area of the state). However, WIBs have until June 30, 2002 to expend the funds, so a more accurate figure can be provided then. There was also discussion about the value of the recaptured funds being "statewide funds" as opposed to "local funds." Statewide funds are not subject to the income restrictions in many cases that local funds are and therefore allow the Governor more discretion. Concern was also raised that the phrase in the policy "in every instance available" places the Council in a position of giving away a lot of prerogative. A motion was made to adopt the policy recommendation with the wording "in every instance available" deleted. The motion was carried unanimously.

The second item is a revision to the Continuous Improvement, Incentives and Sanctions Policy. The WIBs could not realistically achieve the ambitious goals set for them, particularly when the nation and the state are in a system building mode. The Committee recommends changes to the policy that reflect a transition period and time for the system to develop. The amended policy would still include monetary rewards and it provide more opportunity for WIBs to receive an award. For the monetary awards, the definition of exemplary for the transition year is the WIBs must meet eleven of seventeen performance criteria and exceed the two customer satisfaction criteria. For the years thereafter, WIBs must meet as many performance standards as the state met and exceed the two customer satisfaction standards. For the nonmonetary awards, the threshold is to meet eleven of the seventeen performance standards and each year thereafter to meet the same standards that the state does.

Motion made to adopt the revised policy recommendation. Motion was carried unanimously.

XI. Administrative Update - Delores Esser

Ms. Esser reported on the following: (1) General Assembly appropriations language which requires recaptured WIA Title I funds to be returned to the area of origin, the US Department of Labor's opinion that this action is out of compliance with federal law and the dilemma in trying to reconcile the situation; (2) General Assembly appropriations language requiring the Council to develop a WIA Plan to identify the funding amount needed and the funding source to train nurses, in order to address the shortage of trained nurses in Virginia; and (3) the Joint Legislative Audit and Review Commission's (JLARC) study to examine the effectiveness of the state's administration of WIA and assess if administration of the program would be improved by transferring it to another state agency.

Ms. Esser also announced that the WIA allows WIBs to transfer funds from the Adult Program to the Dislocated Worker Program or vice versa, based on needs in the community. WIBs can transfer up to 20% between programs with the Governor's approval. Several requests are pending now. The VEC is requesting that the Council on advice to the Governor give the VEC permission to negotiate with local WIBs when they submit fund transfer requests. A motion was made to give that permission and the motion was carried unanimously.

XIII. Council Member Comments - Secretary Schewel

Senator Hawkins had to leave early and he requested that the discussion on the revised Committee structure be delayed until the next meeting. Staff indicated that this would be a topic at the end of the strategic planning session.

A request was made to have the full contents of policies included in the meeting packets. Staff indicated that the Council had earlier decided Decision Briefs (brief analyses of background and content of policies) should be used in lieu of entire policies being mailed before meetings. The consensus was to include policies in meeting packets in the future.

Council members indicated interest in being interviewed for the JLARC study. Kirk Jonas, Deputy Director of JLARC, indicated that some Council members had been interviewed and other members interested in being interviewed could advise him after the meeting.

Stevenson Walker requested that Council prepare a resolution to commend former member Dave Dixon and express appreciation for his contributions to the Council. Staff will prepare a resolution to be presented at the next Council meeting.

Secretary Schewel urged members to review the handout on the revised committee structure, which is in response to concerns raised at previous meetings about appropriate allocation of work and attention to all of the Council's statutory responsibilities. Once a revised committee structure is adopted, the Chair will ask members to choose a committee. He also suggested that state agencies and the Secretaries should review the suggestions for interagency staff support for the Council committees.

XIV. Next Meeting and Adjourn - Secretary Schewel

The next meeting is June 11th and 12th in Charlottesville and will include a strategic planning session and everyone will receive an outline of that. Secretary Schewel adjourned the meeting at 12:15 pm.